(2) Costs incurred by the State of Hawaii in connection with the relocations referred to in clauses (B) and (C) of paragraph (1) may not be considered as any part of the payment of the fair market value of the property referred to in subsection (a).

(c) IMPLEMENTATION.—(1) The Secretary may—

(1) accept facilities and improvements referred to in paragraph (2) designed and constructed by the State of Hawaii, according to standards specified by the Secretary, that are equal in value to not less than the fair market value of the property to be conveyed by the Secretary; or

(2) in the discretion of the Secretary, accept payment of the fair market value for the property to be conveyed by the Secretary and design and construct facilities and improvements referred to in paragraph (2).

(2)The facilities and improvements to be provided by the State of Hawaii or constructed by the Secretary with funds provided by the State shall be for one or more of the following projects in the order of priority in which they are listed:

(3) One hundred units of military family housing at Hickam Air Force Base, Hawaii.

(4) Construction of an enlisted personnel dormitory at such Base.

(5) Renovation of an existing enlisted personnel dormitory at such Base.

(3) The Secretary may not enter into any contract for any construction project or improvement under this section until after the 21-day period beginning on the date on which the Secretary transmits to the Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives a detailed report on the proposed contract.

(d)SECURITY FOR CONVEYANCE.—(1) The Secretary may convey the property described in subsection (a) to the State of Hawaii before completion of the construction of the facilities referred to in subsection (b)(l) upon—

(6) the execution of an escrow agreement between the Secretary and the State of Hawaii and deposit by the State in an escrow account (pursuant to such agreement) of an amount equal to the fair market value of the property to be conveyed by the Secretary; or

(7) the acceptance by the Secretary of payment of such amount.

(2) The Secretary may obligate and expend funds accepted under paragraph (1XB) for design and construction of the facilities and improvements referred to in subsection (c)(2).

(8) VACATING PROPERTY.—If the Secretary conveys

property to the
State under this section before completion of the construction of the facilities and improvements referred to in subsection (b)(1), the Secretary shall not be required to vacate the property until the completion, and approval by the Secretary, of the work described in subparagraphs (B) and (C) of subsection (b)(1).

(9) EXCESS AMOUNT.—The Secretary shall deposit into the Treasury as miscellaneous receipts any amount received under this section and not obligated under this section by the end of the four-year period beginning on the date of the receipt thereof.

(g) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under this section shall be